

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

0005

GARY R. HERBERT Lieutenant Governor

epresentatives Present During the Inspection:					
Company	Vicky S. Miller Environmental Specialist				
OGM	Karl Houskeeper Environmental Scientist III				

Inspection Report

Permit Number:	C0070034		
Inspection Type:	COMPLETE		
Inspection Date:	Friday, March 09, 2007		
Start Date/Time:	3/9/2007 8:30:00 AM		
End Date/Time:	3/9/2007 11:00:00 AM		
Last Inspection:	Friday, December 15, 2006		

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Partly Cloudy, Temp. 56 Deg. F.

Types of Operations

InspectionID Report Number: 1233

Accepted by: pgrubaug 3/22/2007

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC Site: BANNING SIDING LOADOUT

Address: PO BOX 1029, WELLINGTON UT 84542

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

36.42	Total Permitted			
21.60	Total Disturbed			
	Phase I			
	Phase II			
	Phase III			

Mineral Ownership

✓ Federal Underground **✓** State Surface County Loadout Fee Processina

Other Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit Condition: Canyon Fuel Company has just one permit condition for the Banning Loadout; to submit water quality data in an electronic format through the Electronic Data Input web site.

Inspector's Signature:

Karl Houskeeper, Environmental Scientist III

Date

Friday, March 09, 2007

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070034 Inspection Type: COMPLETE

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	\checkmark		~	
2.	Signs and Markers	✓		~	
3.	Topsoil	~			
4.a	Hydrologic Balance: Diversions	V			
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		~	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓			
4.d	Hydrologic Balance: Water Monitoring	✓			
4.e	Hydrologic Balance: Effluent Limitations	✓		✓	
5.	Explosives	✓	✓		
6.	Disposal of Excess Spoil, Fills, Benches	✓	✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓	V		
8.	Noncoal Waste	V			
9.	Protection of Fish, Wildlife and Related Environmental Issues	V			
10.	Slides and Other Damage	~			
11.	Contemporaneous Reclamation	V			
12.	Backfilling And Grading	V			
13.	Revegetation				
14.	Subsidence Control	V			
15.	Cessation of Operations	✓			
16.a	a Roads: Construction, Maintenance, Surfacing	✓			
16.Ł	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities	✓			
18.	Support Facilities, Utility Installations	✓			
19.	AVS Check	V			
20.	Air Quality Permit	✓		V	
21.	Bonding and Insurance	✓		V	
22.	Other	П		П	

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1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit is effective 10/24/2003 and expires 10/24/2008. Other documents include the following:

- ·Certificate of Insurance issued 07/31/2006 and terminates 07/31/2007.
- ·Reclamation agreement is dated May 9, 2001 and is signed by both parties.
- ·UPDES permit UTG040000 (site UTG040011) effective 5/01/2003 and expires midnight 4/30/2008.
- ·Air Quality permit 533-6108, issued 07/16/1980.
- ·SPCC Plan dated 12/3/2004.

2. Signs and Markers

Mine ID signs are placed at accesses from the public into the permit area. The signs contain the permittee name, address, permit number, and phone number.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment pond inspection was conducted on 12/14/06 and compiled into a report dated 12/15/06.

4.e Hydrologic Balance: Effluent Limitations

The latest Discharge Monitoring Report is for January 2007. No discharges occurred.

20. Air Quality Permit

The Air Quality Permit 533-6108 issued July 16, 1980 remains in effect.

21. Bonding and Insurance

The current Bond is \$350,000 from St. Paul Fire and Marine Insurance Co. Bond No. 400SA1916.